

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

CINDA KROLL,

Plaintiff,

No. C 11-03863 JSW

v.

KAISER FOUNDATION HEALTH PLAN
LONG TERM DISABILITY PLAN and
METROPOLITAN LIFE INSURANCE
COMPANY,

Defendants.

**ORDER GRANTING
PLAINTIFF'S MOTION FOR
AWARD OF BENEFITS,
JUDGMENT AND PRE-
JUDGMENT INTEREST**

Now before the Court is the motion by plaintiff Cinda Kroll ("Plaintiff") for an award of benefits, judgment and prejudgment interest. This motion is fully briefed and is ripe for decision. Pursuant to Civil Local Rule 7-1(b), the Court finds that this matter is appropriate for decision without oral argument and is deemed submitted. *See* N.D. Civ. L.R. 7-1(b).

Accordingly, the hearing set for June 29, 2012 is HEREBY VACATED. Having carefully reviewed the parties' papers and considering their arguments and the relevant authority, and good cause appearing, the Court hereby grants Plaintiff's motion.

defendants Kaiser Foundation Health Plan Long Term Disability Plan (the "Plan") and Metropolitan Life Insurance Company ("MetLife") (collectively, "Defendants")

Plaintiff seeks an award in the amount of \$78,666.40 for the time period from August 7, 2008 through February 29, 2012. Plaintiff further seeks an order declaring her to be disabled

1 from working in “any occupation” and is entitled to monthly benefits due under the Plan for as
2 long as she remains disabled or until she reaches the maximum age for benefits. Defendants
3 Kaiser Foundation Health Plan Long Term Disability Plan (the “Plan”) and Metropolitan Life
4 Insurance Company (“MetLife”) (collectively, “Defendants”) do not dispute that Plaintiff shall
5 have her disability benefits reinstated. Nor do they dispute that Plaintiff is entitled to
6 \$78,666.40 in back benefits. Accordingly, the Court grants Plaintiff’s motion on these grounds

7 Plaintiff further seeks to recover prejudgment interest at the rate 10 percent,
8 compounded monthly, amounting to \$18,540.18. The Court may award prejudgment interest on
9 an award of ERISA benefits at its discretion. *Blankenship v. Liberty Life Assurance Co. of*
10 *Boston*, 486 F.3d 620, 627 (9th Cir. 2007); *see also Dishman v. UNUM Life Ins. Co. of Am.*, 269
11 F.3d 974, 988 (9th Cir. 2001). “Generally, ‘the interest rate prescribed for post-judgment
12 interest under 28 U.S.C. § 1961 is appropriate for fixing the rate of pre-judgment interest unless
13 the trial judge finds, on substantial evidence, that the equities of that particular case require a
14 different rate.’” *Blankenship*, 486 F.3d at 628 (quoting *Grosz-Salomon v. Paul Revere Life Ins.,*
15 *Co.*, 237 F.3d 1154, 1164 (2001)). The Ninth Circuit has defined “substantial evidence” as
16 “such relevant evidence as a reasonable mind might accept as adequate to support a
17 conclusion.” *Blanton*, 813 F.2d at 1576. The Court “may compensate a plaintiff for “the losses
18 he incurred as a result of [the defendant’s] nonpayment of benefits.” *Blankenship*, 486 F.3d at
19 628 (internal cite and quotation marks omitted) (affirming award of 10.01 interest rate to
20 compensate plaintiff for lost investment opportunities and to adequately compensate for the
21 defendant’s wrongful nonpayment of benefits); *see also Oster v. Standard Ins. Co.*, 768 F.
22 Supp. 2d 1026, 1039-40 (N.D. Cal. 2011) (awarding interest rate of 5 percent based on the
23 equities); *Castell v. Metropolitan Life Ins. Co.*, 2012 WL 986625, *2 (N.D. Cal. 2012)
24 (awarding ten percent based on the equities of that case).


25 Here, Defendants have wrongfully withheld disability benefits from Plaintiff for a
26 substantial period of time - almost five years. Due to the withholding of benefits, Plaintiff has
27 not been able to maintain her home. As of April 2011, the master bathroom in her trailer was
28 unusable for two years because both the toilet and the sink had leaks. The leaks, in turn, have

1 caused a substantial amount of rotting and Plaintiff did not have the funds to pay for repairs.
2 Her trailer also needs to be painted but Plaintiff could not afford to do so. Additionally,
3 Plaintiff's oven has not worked for over two years as of April 2011 and she has not been able to
4 afford to repair or replace it. Moreover, due to Defendants' wrongful withholding of disability
5 benefits, Plaintiff has been limited in her ability to travel to visit her children. The Court finds
6 that awarding prejudgment interest at the current low rate prescribed by 28 U.S.C. § 1961
7 would not compensate Plaintiff for these losses. The Court determines that the equities here
8 warrant an award of prejudgment interest at the rate of ten percent, compounded monthly,
9 amounting to \$18,540.18.

10 Lastly, Plaintiff seeks the Court to enter judgment. Defendants do not dispute that
11 Plaintiff is entitled to judgment in her favor, but rather, argue that a formal judgment is not
12 necessary or appropriate because Defendants have already agreed to reinstate benefits and to
13 pay back benefits. The Court disagrees, and thus, will enter judgment in Plaintiff's favor.
14 Accordingly, the Court GRANTS Plaintiff's motion in full. The Court will issue a separate
15 judgment.

16 **IT IS SO ORDERED.**

17
18 Dated: June 27, 2012



JEFFREY S. WHITE
UNITED STATES DISTRICT JUDGE